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April 4, 2021

The Honorable Marvin Abney  
Chairperson, House Finance Committee  
Rhode Island State House  
82 Smith Street  
Providence, RI 02903

Re: Article 12, Relating to Medical Assistance, 40-8-26. Community health centers

Dear Chairperson Abney:

Thank you for the opportunity to submit written testimony on Article 12, Relating to Medical Assistance, 40-8-26 Community health centers, which refer to reimbursements rates for community health centers. On behalf of the Rhode Island Health Center Association (RIHCA) and Federally Qualified Health Centers members, I write to express my objection to the proposed changes to the statutory language below.

(b) To support the ability of community health centers to provide high-quality medical care to patients, the executive office of health and human services ("executive office") ~~shall~~ may adopt and implement an alternative payment methodology (APM) for determining a Medicaid per-visit reimbursement for community health centers that is compliant with the prospective payment system (PPS) provided for in the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000~~1~~. The following principles are to ensure that the APM PPS prospective payment rate determination methodology is part of the executive office overall value purchasing approach. For community health centers that do not agree to the Principles of Reimbursement that reflects the APM PPS, EOHHS shall reimburse such community health centers at the federal PPS rate, as required per 1902(bb)(3) of the Social Security Act. For community health centers that are reimbursed at the federal PPS rate, RIGL Sections 40-8-26(d) through (f) apply.

The Medicaid prospective payment system (PPS) for Federally Qualified Health Centers (FQHCs) became effective January 1, 2001, under the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000. In January of 2007, the Department of Human Services, which was the Single State Agency for Medicaid, negotiated and refined a mutually agreed upon Alternate Payment Methodology (APM) called the Principles of Reimbursement. Subsequently, the Executive Office of Health and Human Services became the Single State Agency for Medicaid. The authority for the APM is based on an amendment to the Medicaid State Plan. The principles clearly set forth the APM establishing rates for participating FQHCs, which include rate setting for medical, behavioral, and dental care. Currently, all eight of the state FQHCs participate and follow the principles.

It is my understanding that the state believes that this is a technical change. I remain unclear about why the changes are being made at this time as we have operated under the Principles of Reimbursement since 2007. There have been subsequent amendments to the Principles from time to time that has been negotiated among the parties with no amendment to the statute. The Medicaid office has not discussed this change with either the Association or any of its members.

RIHCA represents Rhode Island's nine community health centers, including eight federally qualified health centers (FQHCs), one island-based health center, and an associate community mental health center member, the Providence Center. Community health centers are not-for-profit health care providers with a long history of serving patients who may otherwise confront financial, geographic, linguistic, and cultural barriers to accessing health care services. Recent figures show FQHCs provided care for over 190,000 Rhode Islanders, including those publicly insured (Medicaid), uninsured, underinsured, and privately insured.

Again, thank you for the opportunity to comment. I would urge the committee to remove the FQHC section from this article as it is unnecessary.

Sincerely,

*Jane A. Hayward*

Jane A. Hayward  
President & CEO